



## **NORTH CAROLINA MAIN STREET SOLUTIONS FUND OPERATING GUIDELINES (2015-2016 Guidelines used for OPEN ROUND)**

### **I. FUND**

A fund to be known as the Main Street Solutions Fund (the “Fund”) is established in the Department of Commerce (the “Department”) through N.C. Gen. Stat. § 143B-472.35 (the “Act”). This Fund shall be administered by the Department of Commerce. The Department of Commerce shall be responsible for receipt and disbursement of all funds as provided in the legislative language and in these guidelines.

The Main Street Solutions Fund is a reimbursable, matching grant program. The Department of Commerce and the North Carolina Main Street Center are authorized to award grants from the Main Street Solutions Fund totaling not more than two-hundred thousand dollars (\$200,000) to each eligible local government. Funds from eligible local governments, main street organizations, downtown organizations, downtown economic development organizations, and sources other than the state or federal government must be committed to match the amount of any grant from the Main Street Solutions Fund on a basis of a minimum of two non-state dollars (\$2.00) for every one dollar (\$1.00) provided by the State from the Main Street Solutions Fund.

**Only limited funds remain available.**

### **II. PURPOSE OF THE PROGRAM**

The Program’s purpose is to provide economic development planning assistance and coordinated grant support to designated micropolitans located in Tier 2 and 3 counties and to active North Carolina Main Street communities. To achieve the purposes of the program, the North Carolina Main Street Center has developed criteria for community participation and shall provide technical assistance and strategic planning support to eligible local governments. Local governments, in collaboration with a main street organization, downtown organization, or downtown economic development organization, and the small businesses that will directly benefit from these funds, may apply for grants from the Main Street Solutions Fund.

The Program is intended to strengthen the local economy and its role as a regional growth and employment hub. This is accomplished by leveraging the state’s resources for small business development, spurring private investment, and providing economic development planning assistance and coordinated grant support.

The goals of this Program are:

- To provide direct financial benefit to small businesses.
- To retain and create jobs in association with small business.
- To spur private investment in association with small business.

### **III. ELIGIBLE APPLICANTS**

Monies in the Fund shall be available to designated micropolitans located in Tier 2 and Tier 3 counties and to active North Carolina Main Street communities, including communities in a Tier 1, 2 or 3 county that have been selected by the Department to participate in the Main Street Program or the Small Town Main Street Program and that have met the reporting and eligibility requirements of the respective program by the last working day of July of the current fiscal year. Newly designated Main Street and Small Town Main Street Programs are eligible to apply and must meet the reporting and eligibility requirement of the respective program by the last working day of July of the next fiscal year. Any community that is awarded funds but does not meet the annual reporting and eligibility requirements for its program by the publicized deadline for each year in which the community has an open grant acknowledges that the Department can rescind its grant and that the Department can require repayment of any funds already paid. For purposes of these guidelines, a micropolitan is a geographic entity containing an urban core and having a population of between 10,000 and 50,000 people, according to the most recent federal decennial census (2010).

Eligible communities must meet at least ONE of the following designations:

- a. Designated as a micropolitan in Tier 2 and 3 counties OR
- b. Designated as an ACTIVE North Carolina Main Street community in Tier 1, 2 or 3 counties OR
- c. Designated as an ACTIVE Small Town Main Street community in Tier 1, 2 or 3 counties.

In addition, the final list of eligible communities is determined by attendance at a required Main Street Solutions Information Workshop. At least one representative from either the public or the private sector from each community MUST attend one of the mandatory workshops offered within the last two years, in order to be eligible to submit an application for the Main Street Solutions Fund. Applicants already receiving funds from the 2010-2011 Main Street Solutions Fund are eligible to apply for additional funds if their original grant award was under the maximum amount of \$200,000 per community. If a community has an active grant open and has been awarded the maximum in grants funds, then the community is not eligible to apply for additional funds.

Municipalities are the proper legal applicants for money from the Main Street Solutions Fund. If a local Main Street organization, downtown organization, or local downtown economic development organization exists within the municipality, the municipality must submit the application jointly with the organization AND the small businesses that will directly benefit from these funds. The Main Street organization, downtown organization or downtown economic development organization may develop and propose projects to the city, which in turn may submit applications on their behalf. In addition, a small business owner, private property owner or developer may develop and propose projects to the city, Main Street organization, downtown organization or downtown economic development organization, but the projects must support the communitywide vision and economic development goals for the community and must directly benefit small businesses

#### Conflict of Interest Policy:

Every Main Street Solutions Fund applicant, including joint applicants, shall file with its application copies of that applicant's policy addressing conflicts of interest that may arise involving the applicant's management employees and its members of its board of directors or other governing body. The policy shall address situations in which any of these individuals may directly or indirectly benefit, except as the applicant's employees or members of its board or other governing body, from the applicant's disbursing of monies from the Fund, and shall include actions to be taken by the grantee or the individual, or both, to avoid conflicts of interest and the appearance of impropriety. Applicants that are municipalities should include the resolution or policy they have adopted pursuant to NCGS 160A-86. Applicants that are non-profit corporations should include any resolutions, charters or bylaws they have adopted addressing the conflict of interest provisions of NCGS 55A-8-31.

Additionally, every applicant should identify for the Department any conflicts of interest existing at the time of its application or up to and until the grant agreement is executed. Municipalities that are sole applicants should also inquire of any business or non-profit corporation with which they are coordinating the project(s) proposed in the application whether the businesses or non-profit corporations are aware of any such conflicts of interest. Finally, throughout the administration of any grant, each grant recipient has the duty to promptly inform Commerce of any conflict of interest in the administration of the grant of which it becomes aware.

#### IV. ELIGIBLE ACTIVITIES

Monies in the Fund shall be used for the following activities:

- 1) Downtown economic development initiatives that do any of the following:
  - ✓ Encourage the development or redevelopment of traditional downtown areas by increasing the capacity for mixed-use centers of activity within the downtown core area. Funds may be used to support the rehabilitation of properties, utility infrastructure improvements, new construction, and the development or redevelopment of parking lots or facilities.
    - Projects must spur private investment.
    - Projects must provide direct benefit to small business retention, expansion or recruitment.
    - Projects must retain or create jobs in association with small business.
  - ✓ Attract and leverage private sector investments and entrepreneurial growth in downtown areas through strategic planning efforts, market studies and downtown master plans.
    - Projects must spur private investment.

- Projects must provide direct benefit to small business retention, expansion or recruitment.
  - Projects must retain or create jobs in association with small business.
  - Projects must provide community education that builds a local entrepreneurial environment.
- ✓ Attract and stimulate the growth of business professionals and entrepreneurs within downtown core areas.
- Projects must spur private investment.
  - Projects must provide direct benefit to small business retention, expansion or recruitment.
  - Projects must retain or create jobs in association with small business.
  - Projects must provide community education that builds a local entrepreneurial environment.
- ✓ Establish a revolving loan program for private investment and small business assistance in downtown historic properties.
- Projects must spur private investment.
  - Projects must provide direct benefit to small business retention, expansion or recruitment.
  - Projects must retain or create jobs in association with small business.
  - Projects must foster long-term property improvements and/or provide operating capital with direct benefit to small businesses.
- Projects must demonstrate business commitment to use funds at the time of application.
- Managing entities must have extensive experience and must demonstrate and document previous success with a revolving loan program.
- ✓ Encourage public improvement projects that are necessary to create or stimulate private investment in the designated downtown area.
- Projects must spur private investment.
  - Projects must retain or create jobs in association with small business.
  - Projects must provide direct benefit to small business retention, expansion or recruitment
- 2) Historic Preservation initiatives outside the downtown core area:
- Projects must spur private investment.
  - Projects must enhance community economic development initiatives.
  - Projects must enhance small business retention, expansion and recruitment.
  - Projects must enhance community or regional job retention or creation in association with small business.
  - Projects must provide proof of historic designation at the time of application.
- 3) Public improvement and public infrastructure outside of the downtown core area.
- Projects must spur private investment.
  - Projects must demonstrate sound municipal planning.
  - Projects must provide support for community economic development initiatives.
  - Projects must provide direct benefit to small business retention, expansion and recruitment.
  - Projects must enhance community or regional job retention or creation in association with small business.
- 4) Interlocal small business economic development projects.
- Projects must spur private investment.
  - Projects must provide direct benefit to small business retention, expansion and recruitment.
  - Projects must retain or create community or regional job creation in association with small business.
  - Projects must enhance community or regional economic growth.

Applications will be accepted where funds will be used to develop new projects or for developing another phase of an existing project, within the context of the eligible activities. Funds are not eligible for projects that are currently under construction or underway.

## V. DEFINITIONS

- 1) Active North Carolina Main Street Community – A community in a Tier 1, 2 or 3 County that has been selected by the Department of Commerce to participate in the Main Street Program or the Small Town Main Street Program and that meets the reporting and eligibility requirements of the respective Programs.

- 2) Tier 1, 2 or 3 Counties – North Carolina counties annually ranked by the Department of Commerce based upon the counties' economic well-being and assigned Tier designations. The 40 most distressed counties are designated as Tier 1, the next 40 as Tier 2 and the 20 least distressed as Tier 3.
- 3) Main Street Program - The program developed by the National Trust for Historic Preservation to promote downtown revitalization through economic development within the context of historic preservation. The Office of Urban Development, under the North Carolina Department of Commerce, Rural Economic Development Division, is the designated agency to administer this program for North Carolina.
- 4) Small Town Main Street Program – A program based upon the Main Street Program, developed by the National Trust for Historic Preservation to promote downtown revitalization through economic development within the context of historic preservation. The purpose of the Small Town Main Street Program is to provide guidance to local communities that have a population of less than 7,500 and do not have a downtown manager.
- 5) Designated Micropolitan – A geographic entity containing an urban core and having a population of between 10,000 and 50,000 people, according to the most recent federal decennial census (2000).
- 6) Designated Downtown Area – A designated area within a community that is considered the primary, traditional downtown business district of its community.
- 7) Downtown Economic Development Organization – An agency that is part of a public-private partnership intended to develop and recruit business opportunities or to undertake economic development projects that will create jobs.
- 8) Downtown Organization – An agency that is part of a public-private partnership on the local level whose core mission is to revitalize the traditional downtown business district.
- 9) Eligible Local Government – A municipal government that is located in a designated micropolitan or an active North Carolina Main Street community.
- 10) Historic Properties – Properties that have been designated as historically significant by the National Register of Historic Places or a local historic properties commission.
- 11) National Register of Historic Places – The official list of the Nation's historic places worthy of preservation. Authorized by the National Historic Preservation Act of 1966, the National Park Service's National Register of Historic Places is part of a national program to coordinate and support public and private efforts to identify, evaluate, and protect America's historic and archeological resources.
- 12) Local Historic Properties Commission – In North Carolina, the creation of such commissions is a local option authorized and governed by N.C.G.S. 160A-400.1-400.14, which enables local governing boards to establish commissions to study and recommend designation of local historic districts and landmarks. Commissions are appointed by the local governing board and operate in strict adherence to procedures and standards required by the enabling legislation.
- 13) Interlocal Small Business Economic Development Project – A project or a group of projects in a cluster of communities and counties or in a region that share a common economic development strategy for small business growth and job creation.
- 14) Mixed-Use Centers – Areas zoned and developed for a mix of uses, including retail, service, professional, governmental, institutional and residential.
- 15) Main Street Organizations – An agency working in public-private partnership on the local level, guided by a professional downtown manager, board of directors or revitalization committee, and charged with administering the local Main Street Program initiative and facilitating revitalization initiatives in the

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traditional downtown business district through appropriate design, promotion and economic restructuring activities.

- 16) Main Street Center – The North Carolina Main Street Center is located within the North Carolina Department of Commerce, Rural Economic Development Division, Office of Urban Development, and shall receive applications and make decisions in respect to the Main Street Solutions Fund grant applications from eligible local governments.
- 17) Private Investment – A project or a group of projects in a designated area that will spur private investment and improve property. A project must be owned and maintained by the private entity and must provide a direct benefit to small businesses.
- 18) Public Improvements and Public Infrastructure – The improvement of property or infrastructure that is owned and maintained by a city or county.
- 19) Revolving Loan Programs for Private Investment – A property redevelopment or small business assistance fund that is administered on the local level and that may be used to stabilize or appropriately redevelop properties located in the downtown area in connection with private investment or that may be used to provide necessary operating capital for small business creation or expansion in connection with private investment in a downtown area.
- 20) Operating Capital – Capital that is available for the operations of a business.
- 21) Small Business - An independently owned and operated business with less than 100 employees and with annual revenues less than \$6 million.
- 22) Program – the Main Street Solutions Fund Program and the associated grant.
- 23) Grant – Monies awarded to eligible grantees for activities that carry out the specific purposes of the Program.

## VI. GRANT AMOUNTS

The Main Street Solutions Fund is a reimbursable, matching grant program. The Department of Commerce and the North Carolina Main Street Center are authorized to award grants from the Main Street Solutions Fund totaling no more than a maximum of two-hundred thousand dollars, (\$200,000), to each eligible local government. The minimum grant that may be requested is twenty-five thousand dollars, (\$25,000). Funds from eligible local governments, main street organizations, downtown organizations or downtown economic development organizations and sources other than state or federal government must be committed to match the amount of any grant from the Main Street Solutions Fund on a basis of a minimum of two non-state/federal dollars (\$2.00) for every one dollar (\$1.00) provided by the State from the Main Street Solutions Fund.

Eligible grants are calculated based on the following formula: Applicants may apply for a maximum of \$25,000 per full-time permanent job retained or created per business. Part-time jobs may not be added together to equal a full-time job. The maximum grant award per community is \$200,000, therefore, in order for a community to receive \$200,000 in grants funds, they must:

- 1) Retain or create 8 full-time permanent jobs in the businesses that will directly benefit from the funding **AND**
- 2) Commit \$400,000 in non-state or federal funding to match the grant award **AND**
- 3) Spur private investment

If, in the performance of a particular Program, the requisite number of jobs are not created, the Department may choose to reduce the amount of the Grant available to the Grantee in an amount proportional to the level of non-performance (e.g., for a \$200,000 grant, if only 6 positions are created or retained, then the total grant may be reduced to \$150,000).

The grant match may constitute a combination of any of the following; local public or private funding which may include:

- Cash, **AND/OR**
- Local community grant, **AND/OR**
- Investments, **AND/OR**

- The donation of property (an appraisal completed by a licensed appraiser, must be submitted to document value), **AND/OR**
- Administrative costs to administer the Main Street Solutions Grant, up to 10% (ten percent) of the total amount of the Grant, or \$20,000, whichever is less.

## **VII. APPLICATION DATES**

Main Street Solutions Funds proposals are now accepted in an open round, on a first come-first serve basis. All applicants must attend a required information workshop. Applications will be accepted until all funds are exhausted. Only completed applications will be considered. One original plus three complete copies of the application must be submitted in 3-ring loose-leaf notebooks. The original must contain an original signature of the chief elected official, the signature of the President or Chair of the Main Street Organization, Downtown Organization, or Downtown Economic Development Organization **AND** the signature of the CEO/CFO of all small businesses that will directly benefit from these funds on the Application Summary Form. Applications should be directed to Liz Parham, Director, Office of Urban Development, 4313 Mail Service Center, Raleigh, NC 27699-4313.

## **VIII. GRANT AWARDS AND GRANT ADMINISTRATION**

Representatives of the North Carolina Department of Commerce – Office of Urban Development programs, including but not limited to the North Carolina Main Street and Small Town Main Street Programs shall:

- (1) Review a local government's application.
- (2) Determine whether the activities listed in the application are activities that are eligible for a grant.
- (3) Determine which applicants are selected to receive funds from the Main Street Solutions Fund.

A city whose application is denied may file a new or amended application.

However, award selections are not final (and the North Carolina Main Street Center and the State are not bound by any award determinations or selections of any applicant or grant) until all applicable local government parties have:

- (1) Signed a grant agreement with the State regarding the grant funds **AND**
- (2) Submitted applicable sub-recipient grant agreements or loan documents that have been signed by the local government and all small businesses that will receive funds **AND**
- (3) Have received clearance from the State Environmental Policy Act ("SEPA") **AND**
- (4) Have received clearance from the State Historic Preservation Office ("SHPO").

The local government grantee is responsible for monitoring any private entity benefitting from Main Street Solutions Fund money to ensure that all Project commitments are being carried out in accordance to the grant application and in a timely fashion. Main Street Solutions Fund money may not be used to pay for administrative costs; however, administrative costs may constitute up to 10% (ten percent) of the Grant, or \$20,000, whichever is less, of the applicant's matching funds or a portion of the project's leverage. Projects that use administrative costs as a portion of the match or as leverage must document these costs.

The local government grantees shall agree to release, indemnify and hold the State harmless with respect to any Main Street Solutions Funds. Additionally, grantees are required to ensure compliance with all applicable laws, rules, regulations, requirements and policies. Such requirement applies to all Project activities, whether or not the work is performed by the grantee or some other third party and whether or not Grant funds have been awarded or distributed to any third parties or sub recipients. To the extent that applicable laws, rules, policies or requirements are not followed (including, but not limited to representations made by a grantee in its application.), the State can take a variety of corrective actions, including but not limited to those remedies described in 4 N.C.A.C. 19L .1104. Among other things, this includes the right of the State to (i) withhold or deny reimbursement of the full amount of the Grant to grantee where there is noncompliance with any applicable law, rule, policy or requirement (even when such noncompliance is the result of a third party's action) and/or (ii) require the local government to repay all or part of a Grant where improper use of the funds or non-compliance with any law, rule, regulation or requirement has occurred.

## **IX. ACCOUNTS**

The Department shall establish an account in the amount of the grant for each city that is selected. Disbursements from the Department to grant recipients will be made on a reimbursement basis upon completion of the entire Program (or distinct



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portions of the Program), including but not limited to revolving loan programs, and upon the Department's approval, after the grant recipient's submission of required back-up and supporting documentation and certifications to the Department.

- 1) A local government that has been selected to receive a grant shall use the full amount of the grant for the activities that were approved pursuant to the provision of this section. Funds are deemed used if the local government is legally committed to spend the funds on the approved activities.
- 2) A local government that fails to satisfy the condition set forth in subdivision (1) of this subsection shall lose any funds that have not been used within three years of being selected. These unused funds shall be credited to the Main Street Solutions fund. A local government that fails to satisfy the conditions set forth in subdivision (1) of this subsection may file a new application.
- 3) Any funds repaid or credited to the Main Street Solutions Fund pursuant to subdivision (2) of this subsection shall be available to other applicants as long as the Main Street Solutions Fund is in effect.

## **X. MONITORING**

The North Carolina Main Street Center staff will monitor the project through phone/email/letter correspondence, quarterly and annual reports (submitted by the grant recipient), all published press articles about the project (provided by the local government), on-site staff visits and other methods as the Department may deem necessary.

North Carolina Main Street Center staff will notify the grantee at least 10 days before on-site monitoring visits and will provide copies of monitoring forms to be used. Any performance findings or administrative concerns resulting from the monitoring review must be mutually resolved before a grant can be formally closed.

## **XI. REPORTING**

The local government grant recipient must prepare and file an annual written progress report to the North Carolina Main Street Center prior to July 1 of each year AND quarterly progress reports to the North Carolina Main Street Center prior to October 15, January 15 and April 15 of each year. In addition to any other information requested by the Department (or other State entity), the local government shall include the following in its annual report:

- 1) The total amount of public and private funds that was committed and the amount that was invested in the designated micropolitan or designated downtown area during the preceding fiscal year.
- 2) The total amount of grants received from the Main Street Solutions Fund during the preceding fiscal year.
- 3) A description of how the grant and funds from public private investors were used during the preceding fiscal year.
- 4) A description of the economic impact on small business, including jobs retained or created.
- 5) Details regarding the types of private investment created or stimulated the dates of this activity, the amount of public money involved, and any other pertinent information, including any jobs created, businesses retained or started, and number of jobs retained due to the approved activities. Grant recipients will be required to verify the job numbers through a certification sent to the Department and by submitting Employment Security Commission reports at the time of the grant award, annually, and six months following the close of the project.
- 6) Prior to the Department's payment of any Grant funds to a local government, the local government will also be required to provide the Department with detailed certifications of compliance with all other terms of the Grant and the Program, in such form as may be provided by the Department (unless otherwise allowed by the Department in its sole discretion).

Local government grant recipients will be subject to state audits.

In addition, The North Carolina Main Street Center will expect participants to share their success stories with the North Carolina Main Street Center. The North Carolina Main Street Center requests copies of all published press articles, TV coverage, scheduled ribbon cuttings, and other events and milestones. Periodic photographs should document project stages, events and successes.

If the proposed project requires changes prior to completion, the applicant must submit a revised application request which outlines the reasons and timeline for these changes. This must be submitted prior to additional expenses being incurred. The North Carolina Main Street Center requires thirty (30) days to review the proposed changes. The North Carolina Main Street Center will respond in writing to the applicant. All project revision requests will be rated on the same criteria as the initial application and may be approved or disapproved in the sole discretion of the North Carolina Main Street Center.

After a project financed in whole or in part pursuant to this Act has been completed, the applicant must report the actual cost of the project to the North Carolina Main Street Center.

## XII. RULES

The Department may adopt, modify, and repeal rules establishing the procedures to be followed in the administration of the Act and regulations interpreting and applying the provisions of the Act as provided in the Administrative Procedure Act.

Additionally, the Department of Commerce, Rural Economic Development Division, or the North Carolina Main Street Center may amend or supplement these operating guidelines and/or application requirements at any time.

## XIII: REVIEW CRITERIA

All Main Street Solutions Fund project applications will be reviewed to ensure that they meet the minimum eligibility requirements and that proposals are complete. Incomplete proposals and those that do not meet the eligibility requirements will be rejected. Alternatively, the Department (in its sole discretion) may allow applicants to repurpose aspects of a proposal to ensure eligibility.

The representatives selected to review applications will determine which applicants are recommended to receive money from the Fund. A city whose application is denied may file a new or amended application if funds are available.

### Grant Selection Criteria:

1) Develops innovative solutions that directly address the needs of small businesses.	0 - 20 points
2) Spurs private investment.	0 - 15 points
3) Commits job creation and retention.	up to 15 points
4) Outline benefits and impact on the community, the project area and small business.	0 - 15 points
5) Demonstrates understanding of small business priorities and needs.	0 - 15 points
6) Establishes economic make-up and physical condition needs of project area.	0 - 15 points
7) Supports the vision and goals for project area	0 - 15 points
8) Establishes economic need based on NC County Tier Designation.	up to 15 points
9) Establishes timeline for implementation and use of Grant funds.	up to 15 points
10) Demonstrates financial feasibility.	0 - 15 points
11) Commits all project financing sources.	0 - 15 points
12) Establishes small business sustainability.	0 - 15 points
13) Leverages public and private resources (federal, state and local) for maximum impact.	0 - <u>15 points</u>
<b>TOTAL</b>	<b>up to 200 POINTS</b>

## XIV: RATING, RANKING & SCORING

Each application is scored competitively on criteria derived from statutory, regulatory and policy considerations. Ratings are based on general review criteria, performance and timeliness, and application response and materials received as a result of these guidelines. Each application that is determined to be complete and eligible will be scored on a two hundred (200) point scale, based on the following criteria. ***Additionally, applicants that develop innovative solutions that directly address the needs of small businesses within the project area which are ready for implementation and demonstrate measurable outcomes will receive the highest scores.***

- A. **Economic Need (up to 45 points)** – Measures the applicants’ understanding of the current small business needs and conditions in the project area. Applications should outline public and private infrastructure needs, environmental needs, socio-economic needs, financial needs, etc. Applicants with the greatest need will receive the highest scores.

### Criteria:

- Demonstrates understanding of small business priorities and needs      0 - 15 points
  - Application must outline all factors that hinder small business growth and success.
- Establishes economic make-up and physical condition needs of project area.      0 - 15 points
  - Application must document baseline need of all property that will directly benefit.



- Establishes economic need based on current NC County Tier Designation      up to 15 points
  - (Tier 1-15 points, Tier 2-10 points, Tier 3-5 points)

**UP TO 45 POINTS**

- B. Economic Innovation (up to 50 points)** – Measures the applicants’ ability to develop an innovative proposal for the Main Street Solutions Fund. The proposal described must provide direct support to small businesses in project area. The strategies should be innovative, creative and sustainable, and they must address the small business needs of downtown. Applicants that develop the most innovative solutions will receive the highest scores.

**Criteria:**

- Develops innovative solutions that directly address the needs of small businesses.      0 - 20 points
  - Solutions must directly address the needs of small business in the project area.
- Supports the vision and goals for the project area.      0 - 15 points
  - Proposal must outline directly how the local economy will be strengthened and improved.
- Establishes small business sustainability.      0 - 15 points
  - Strategies should establish best practices that offer long-term economic change.

**UP TO 50 POINTS**

- C. Project Timeline & Capability (up to 45 points)** – Measures the applicants’ ability to complete the proposed scope of the project within the estimated timeframe as outlined in the proposal. Applicants must demonstrate that the project is ready for implementation. Proposals should exhibit a clear understanding of the costs and timeline for project completion, indicate the financial feasibility of the project based on the local market, and provide commitment from all project funding sources. Applicants that demonstrate immediate results will receive the highest scores.

**Criteria:**

- Establishes timeline for implementation and use of Grant funds.      Up to 15 points  
(15 points – 1 year, 10 points – 2 years, 5 points – 3 years)
  - Applicant must attach project timeline.
- Demonstrates financial feasibility.      0 - 15 points
  - Applicant must attach project budget/pro forma analysis.
- Commits all project financing sources.      0 - 15 points
  - Applicant must attach commitment letters.

**UP TO 45 POINTS**

- D. Economic Impact (up to 60 points)** – Measures the impact that the proposed project will have on small business. The project proposed must effectively leverage public and private resources; demonstrate small business and job retention, expansion and/or creation; and spur private investment. Applicants that demonstrate the greatest impact will receive the highest scores.

**Criteria:**

- Spurs private investment.      0 - 15 points
  - Proposal must outline how investments will support small businesses.
- Commits job creation and retention.      Up to 15 points
  - Proposal must outline job commitment.  
(15 points – > 8 full-time permanent jobs plus any number of part-time jobs,  
10 points – Between 4 and 8 full-time permanent jobs plus any number of part-time jobs,  
5 points - Between 1 and 3 full-time permanent jobs plus any number of part-time jobs)
- Outlines benefits and impact on the community, the project area and small business.      0 - 15 points
  - Proposal must outline the short-term and long-term benefits and impact the project will have.
- Leverages public and private resources (federal, state & local) for maximum impact.      0 - 15 points
  - Proposal must outline how small businesses will directly benefit both financially and through services.

**UP TO 60 POINTS**

## MAIN STREET SOLUTIONS FUND APPLICATION SUMMARY

1. Applicant:

2. Date:

- a. Name:
- b. Street/P.O. Box:
- c. City:
- d. State
- e. Zip Code:
- f. Contact Person:
- g. Telephone Number:

3. Main Street Solutions Fund Grants Administrator:

- a. Name:
- b. Street/P.O. Box:
- c. City:
- d. State
- e. Zip Code:
- f. Contact Person:
- g. Telephone Number:

4. Identify all current grants that your community has applied for or is administering. (Do not include Main Street Solutions fund). Do any of these grants relate to your proposed project or the project area?

Source of Grant	Contact information for Grants Administrator	\$ Amount of Grant	Use of Grant	Applied for or committed	Anticipated date of completion or close out of the grant	Does this grant relate to your proposed project or project area (yes/no)

If any proposed grants do relate to your proposed project or project area, please identify how:

5. Project Category:

- ☐ Private Improvement Project
- ☐ Public Improvement Project
- ☐ Public and Private Improvement Project

6. Project Name: \_\_\_\_\_

7. Main Street Solutions Funds Requested: \$ \_\_\_\_\_

8. Typed name and title of Chief Elected Official:

Name: \_\_\_\_\_ Title: \_\_\_\_\_

9. Typed name and title of Main Street Organization's, Downtown Organization's and/or Downtown Economic Development Organization's President or Chair:

Name: \_\_\_\_\_ Title \_\_\_\_\_

Name of Organization: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

10. Typed name and title of each small business that will directly benefit from Main Street Solutions Fund:

Name: \_\_\_\_\_ Title \_\_\_\_\_

Name of Business: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Typed name and title of each small business owner that will directly benefit from Main Street Solutions Fund:

11. Name: \_\_\_\_\_ Title \_\_\_\_\_

Name of Business: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

(Each small business that will directly benefit from the Main Street Solutions Fund must sign the application as a joint-applicant with the city and downtown organization. Copy and paste signature line #10 as needed to provide a line for each small business owner).

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10. Date Received: \_\_\_\_\_ 11. Action Taken:

- ☐ Recommended for Funding  
☐ Not Recommended for Funding

Comments Regarding Funding: \_\_\_\_\_

12. Amount Funded: \$ \_\_\_\_\_

13. Application Number: \_\_\_\_\_

## MAIN STREET SOLUTIONS FUND APPLICATION

Only completed applications will be considered. One original plus three complete copies of the application must all be submitted in 3-ring loose-leaf notebooks, tabbed according to instructions on the last page of this document. The original application must have an original signature of the chief elected official, the signature of the President or Chair of the Main Street Organization, Downtown Organization, or Downtown Economic Development Organization AND the signature of the CEO/CFO of each small business that will directly benefit from these funds on the Application Summary Form. Applications should be directed to Liz Parham, Director, NC Main Street & Rural Planning Center, 4346 Mail Service Center, Raleigh, NC 27699-4346.

Name of Community: \_\_\_\_\_ County: \_\_\_\_\_

County Tier Designation: \_\_\_\_\_

<http://www.nccommerce.com/research-publications/incentive-reports/county-tier-designations>

Date of Application: \_\_\_\_\_

Total Projected Cost of the Project: \_\_\_\_\_

MSSF Amount Requested: Total \$ \_\_\_\_\_

Project Category:

- ☐ Private Improvement Project
- ☐ Public Improvement Project
- ☐ Public and Private Improvement Project

Eligible Activity: (Please check the Activity for which you are applying for funds)

Within Designated Downtown Area and/or Downtown Core:

- ☐ Development or redevelopment of traditional downtown area by increasing the capacity for mixed-use centers of activity within downtown core area. Funds may be used to support the rehabilitation of properties, utility infrastructure improvements, new construction, and the development or redevelopment of parking lots or facilities.
- ☐ Private sector investments and entrepreneurial growth in downtown area through strategic planning efforts, market studies and downtown master plans.
- ☐ Growth of business professionals and entrepreneurs within downtown core area.

Within Designated Downtown Area and/or Downtown Core Continued:

- ☐ Revolving loan program for private investment and small business assistance in downtown historic properties.  
*\*Must document extensive experience administering such a fund and must document business commitment to use funds if grant funds are awarded.*
- ☐ Public improvement project that is necessary to create or stimulate private investment in the designated downtown area.

Outside Downtown Core:

- ☐ Historic Preservation initiative outside downtown core area.  
*\*Must provide proof of historic designation at the time of application.*
- ☐ Public Improvement and Public Infrastructure outside of downtown core area.
- ☐ Interlocal small business economic development projects.

NARRATIVE:

1. Please list your community's **top three** economic drivers or industry clusters: (e.g., tourism, education, arts & cultural development, viticulture, boating, etc.)

1.

2.

3.

Please reference the source(s) of this information and provide website addresses as needed:

2. Please briefly describe the community's **top five** small business priorities: (e.g., local entrepreneurship, technology and broadband development, sustainability, diversity, etc.)

1.

2.

3.

4.

5.

Please reference the source(s) of this information and provide website addresses as needed:

3. Please describe the economic makeup of your project area.

\*Attach a full-color map, at a legible scale, showing the downtown area if applicable, the project area and the uses outlined below:

Types of Use	Number of Businesses/Units	Description of Types/Varieties of Business
		Residential – Please identify how many buildings/units are owner occupied and how many are rental.
<b>Retail</b>		
<b>Restaurant</b>		
<b>Professional Services</b> (Attorney, Accounting, Medical, etc.)		
<b>Service Businesses</b> (hair salon, barber, dry cleaning, etc.)		
<b>Governmental</b>		
<b>Institutional</b> (school)		
<b>Nonprofit</b>		
<b>Warehouse/Distribution</b>		
<b>Manufacturing</b>		
<b>Residential</b>		

Please complete and attach a complete property inventory of all properties in the project area. Include address, contact information, condition report and photographic documentation.

4. Please describe the occupancy/vacancy rates of your project area.

\*Attach a full-color map, at a legible scale, showing the project area and the occupied/vacant property outlined below:

Occupancy/vacancy	Number of Buildings/Units	Total Square Footage
<b>Occupancy Rate</b>		
<b>Vacancy Rate</b>		
<b>Total</b>		*(Must = 100%)



5. What is the average rent per square foot of retail, restaurant, professional, service, governmental, institutional, nonprofit, warehouse/distribution, manufacturing and residential space in your project area? How has this changed over the past three years?

Type of Business	Average Rent Per Square Foot	% Change (+, -) over the past 3 years
<b>Retail</b>		
<b>Restaurant</b>		
<b>Professional Services</b> (Attorney, Accounting, Medical, etc.)		
<b>Service Businesses</b> (hair salon, barber, dry cleaning, etc.)		
<b>Governmental</b>		
<b>Institutional</b> (school)		
<b>Nonprofit</b>		
<b>Warehouse/Distribution</b>		
<b>Manufacturing</b>		
<b>Residential</b>		

To what do you attribute the change?

6. Please describe your community's **top five** small business needs: (e.g., access to capital, workforce development, property-related issues, marketing, entrepreneurship education, etc.)

1.

2.

3.

4.

5.

Please reference the source(s) of this information and provide website addresses as needed:

7. Please describe your Local Government and the Main Street Organization's, Downtown Organization's and/or Downtown Economic Development Organization's small business vision for the project area.

How and when was this vision plan adopted?

Do you have a strategic plan, master plan, market analysis report or any other documents to support your vision for the project area? If so, please identify the source and date of these reports and please attach these documents to your application.

8. Please describe the Local Government and the Main Street Organization's, Downtown Organization's and/or Downtown Economic Development Organization's goals for the project area to achieve the small business vision for the project area.

Please outline the process for development and adoption of these goals.

9. Please describe in detail the project being proposed and the activities for which Fund monies are to be used. How will this project, public or private, support the small business vision and goals for the project area, provide direct benefit to small business and leverage private investment and address any other required factors listed in Section IV (“Eligible Activities”) above?

How is the project an innovative solution that will directly address the needs of small businesses?

10. The proposed project should promote positive change in the project area and in your community that will better support a small business environment. Please describe how this project will establish long-term sustainable change for small businesses.

11. Please explain how much time will be needed to complete the proposed activities. At a maximum, the awardees have three years to complete the project; however, those proposals that are ready to be implemented over the next twelve (12) months will be the most competitive. Please attach a detailed timeline for implementation.

12. Budget – Please indicate the source, amount, proposed use, status and date of availability for each funding source anticipated to fund the entire project.

Source of Funds (Include all public & private funding sources plus all other grants)	Amount	Proposed Use of Funds	Proposed or Committed	Date Funds will be Available
	\$			
	\$			
	\$			
	\$			
	\$			
MS Solutions Fund	\$		Proposed	
Total	\$			

\*Please attach a detailed budget (revenue and expenditures) of all costs associated with the project and please indicate the source of funds that will cover each expense. If more than one business will benefit, please include a detailed budget for each business.

\*\*Please attach letters of commitment from all sources of revenue for the project, submitted on company letterhead and signed by the chief official of each business, financial institution or organization that has made a financial commitment. If a loan, personal capital or business capital is pledged, the applicant must include a letter from the institution where the funds are held attesting to an available balance as necessary to support the commitment.

13. Please describe how you will use the Main Street Solutions Fund dollars to leverage federal, state and local partners/resources, for funds and services, to provide direct support to small businesses; spur private investment; and strengthen the local economy and its role as a regional growth and employment hub.

List <u>each federal, state or local partner.</u>	List the resources (funds and services) that are anticipated to accomplish this project.	Are the resources Proposed or Committed?	Measure the anticipated impact of the project as a result of the resource.

14. Please outline the anticipated job retention or creation that is expected as a result of this project. Please attach signed job commitment letters from each business that will directly benefit from grant funds. The letters should include the number of existing employees at the time of application (baseline) and the number of jobs to be retained or created. The letters must be printed on company letterhead and executed by the company CEO/CFO.

List <u>each business</u> that will retain or create jobs as a direct result of grant funds.	Total Number of existing permanent full-time employees at the time of application.	Total Number of existing permanent part-time employees at the time of application.	Total Number of permanent full-time jobs <u>retained</u> as a direct result of grant funds.	Total Number of permanent part-time jobs <u>retained</u> as a direct result of grant funds.	Total Number of permanent full-time jobs <u>created</u> as a direct result of grant funds.	Total Number of permanent part-time jobs <u>created</u> as a direct result of grant funds.	If Job Creation, when are Jobs Anticipated? Month/Year

*\*Please note that the total dollars of grants funds that a community is eligible to receive is calculated on the number of full-time permanent jobs that a business is retaining or creating, not part-time jobs. Part-time jobs should be counted but may not be added together to equal a full-time job in order to determine eligible grant funds. The funding that each business is eligible to receive may be different than the number of jobs generated and funding will be determined based on the scope of project for each business.*

15. Please describe the short-term and long-term direct benefit and the impact that this project will have on the community, the project area and small business. Applicants must show how this project will directly strengthen small business, retain and create jobs and spur private investment in association with small business. Please explain how much time will be needed to realize the results from the proposed activities.

#### Short-Term Benefits:

Benefits	Impact on the community	Impact on the Project Area	Impact on Small Business	Time needed to realize the results of the Proposed Activities

#### Long-Term Benefits:

Benefits	Impact on the community	Impact on the Project Area	Impact on Small Business	Time needed to realize the results of the Proposed Activities

16. Does this project involve any of the following?

	Yes	No
a. Property listed on the National Register of Historic Places	___	___
b. Locally designated historic property	___	___
c. Demolition of buildings	___	___
d. New construction	___	___
e. Historic Investment Tax Credits	___	___
f. Historic Mills Tax Credits	___	___
g. New Markets Tax Credits	___	___
h. Housing Tax Credits	___	___
i. State/Federal Energy Tax Credits	___	___
j. Housing	___	___
k. Public Improvements	___	___
l. LEED Certification _____level	___	___
m. Planning studies (Market, design, etc.)	___	___
n. Energy Efficiency Plan	___	___
o. Federal Grants (list)_____	___	___
p. Other State Grants (list)_____	___	___
q. Local Grants (list)_____	___	___



17. Your application packet should include one (1) original plus three (3) complete copies of the application, all submitted in 3-ring loose-leaf notebooks, tabbed according to instructions on the last page of this document.

Please check off each one to verify that it has been included. If not applicable, mark N/A.

- ☐ Vision, Strategic Plan, Master Plan, Market Analysis, other planning efforts & Goals for the project area and small business development.
- ☐ Letters of commitment from the downtown organization, developers, property owners, small business owners and others involved with the project
- ☐ City Council resolution in support of the project and specifically designating an appropriate agent (who is the person signing the application) to (i) make application for Main Street Grant funds on behalf of the city and (ii) to sign a grant agreement on behalf of the city regarding the Grant
- ☐ Conflict of Interest Policies
- ☐ Full color map identifying the locally designated downtown district if applicable and the identified project area.
- ☐ Detailed Project Budget (All Revenue and Expenditures Allocated)
- ☐ Three (3) years of financial statements from all private entities that will financially benefit from the Main Street Solutions Fund. If it is an existing business, please provide tax returns. If the business is new, please provide personal tax returns. (*Black out personal information including social security numbers/birthdates*)
- ☐ Business Plans from all private entities that will financially benefit from the Main Street Solutions Fund
- ☐ Proof of property ownership and control
- ☐ Lease agreements
- ☐ Property Inventory
- ☐ Project Timeline
- ☐ Documentary photos
- ☐ Preliminary architectural plans and cost estimates
- ☐ Development pro forma analysis with at least a three year projection
- ☐ If grant funds are to be used to create a revolving loan program, attach detailed guidelines for the program and documentation to demonstrate entities level of experience and previous success in administering such a program.
- ☐ Copies of any other legal commitments related to the project
- ☐ Other \_\_\_\_\_

18. Instructions for Notebook Tabs

- Tab 1- Main Street Solutions Summary and Main Street Solutions Fund Application.
- Tab 2 - City Council resolution and Conflict of Interest Policies
- Tab 3 – Property inventory of the project area including documentary photographs  
National register and/or local landmark designation documentation.
- Tab 4 – Full color map of the project area showing the occupied/vacant property.
- Tab 5 – Vision, goals, strategic plan, market analysis or other planning documents.
- Tab 6 – Project timeline for implementation
- Tab 7 – Detailed budget, architectural plans, cost estimates and letters of financial

commitment from all entities that are participating in the project

Tab 8 – Proof of property ownership, lease agreements and copies of any additional legal commitments

Tab 9 – Job creation or retention commitment letters

Tab 10 – Business plans

Tab 11 – Pro-forma analysis

Tab 12 – Revolving loan program guidelines and documentation to demonstrate entities' level of experience and previous success in administering such a program.